

Suite 1.03, Level 1  
46 Macleay St  
Potts Point NSW 2011  
Australia  
Ph: +61 2 8005 4109  
Fax: +61 2 9252 8960

29 July 2016

Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney, NSW, 2000

Dear Sirs,

**Appendix 4C – Quarter Ended 30 June 2016**

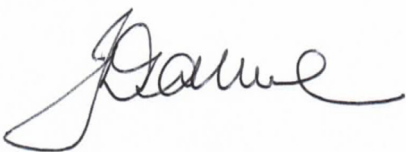
Appendix 4C for the quarter ended 30 June 2016 is attached. The cash flow data on which the Appendix 4C are based is unaudited.

Given the Company's report for the half year ended 30 June 2016 will be released on or prior to 31 August 2016, no supplementary accounting data and Executive Chairman's report are included in this report.

The Company's cash flow statement in the form consistent with the requirements of AASB107 will be disclosed in the Company's half year report.

Appendix 4C is submitted in the format as required by Paragraph 4.7B of Chapter 4 of the ASX listing rules.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'John Talbot', written in a cursive style.

John Talbot  
Company Secretary

## Appendix 4C



# QUARTERLY UNAUDITED CASHFLOW - APPENDIX 4C

for the Period Ended 30 June 2016

## Magontec Limited

ABN: 51 010 441 666  
Registered & Principal Office:  
Suite 1.03, Level 1  
46 Macleay St,  
Potts Point, NSW 2011  
Australia

**Tel:** +61 2 8005 4109  
**Fax:** +61 2 9252 8960  
**Website:** [www.magontec.com](http://www.magontec.com)  
**Email:** [corporate@magontec.com](mailto:corporate@magontec.com)

## Non-Executive Directors (as at 30 June 2016)

Zhongjun Li  
Kangmin Xie  
Andre Labuschagne

## Independent Directors (as at 30 June 2016)

Robert Shaw  
Robert Kaye

## Management Team

Nicholas Andrews  
*Executive Chairman*

John Talbot  
*Company Secretary*

Derryn Chin  
*Chief Financial Officer*

## Issued Capital (as at 30 June 2016)

**Ordinary Shares** (ASX Code MGL)  
1,132,209,291 fully paid Ordinary shares on issue

**Options:** Nil

Substantial Shareholders	No. of shares	Percent
Qinghai Salt Lake Magnesium Industry Limited	330,535,784	29.19
Straits Mine Management Pty Limited	148,874,507	13.15
J P Morgan Nominees Australia Limited	101,444,586	8.96
Citicorp Nominees Pty Limited	89,181,423	7.88

## Share Registry Services

Boardroom Pty Limited  
Level 7, 207 Kent St  
Sydney NSW 2000

**Postal:**  
GPO Box 3993  
Sydney NSW 2001

**Tel:** 1300 737 760 or  
**International:** +61 2 9290 9600  
**Fax:** 1300 653 459  
**Website:** <http://www.boardroomlimited.com.au>

The current share price can be obtained from the ASX Website

# Appendix 4C

## Quarterly Report

Name of entity

Magontec Limited

ABN

51 010 441 666

Quarter ended ("current quarter")

30 June 2016

Cash flows related to operating activities	Quarter Ended 30 Jun 16 \$A'000	6 Months to 30 Jun16 \$A'000
1.1 Receipts from customers	33,249	61,462
1.2 Payments for -		
(a) staff costs	(1,664)	(3,273)
(b) advertising and marketing	(18)	(29)
(c) research and development	(49)	(134)
(d) leased assets	-	-
(e) other working capital	(30,113)	(59,145)
1.3 Dividends received		
Interest and other items of a similar		
1.4 nature received	9	21
1.5 Interest and other costs of finance paid	(343)	(619)
1.6 Income taxes paid	(54)	(54)
1.7 Other (provide details if material)		
<b>Net operating cash flows</b>	<b>1,018</b>	<b>(1,771)</b>

	<b>Quarter Ended 30 Jun 16 \$A'000</b>	<b>6 Months to 30 Jun 16 \$A'000</b>
1.8 Net operating cash flows (carried forward)	1,018	(1,771)
<b>Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses		
(b) equity investments		
1.9 (c) intellectual property (1)	(0)	(6)
(d) physical non-current assets (1)	(342)	(1,379)
(e) other non-current assets		
Proceeds from disposal of:		
(a) businesses		
(b) equity investments		
1.1 (c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)	2	
<b>Net investing cash flows</b>	<b>(341)</b>	<b>(1,384)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>677</b>	<b>(3,155)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	(12)	1,010
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.2 Other (provide details if material)	(30)	-
<b>Net financing cash flows</b>	<b>(42)</b>	<b>1,010</b>
<b>Net increase (decrease) in cash held</b>	<b>635</b>	<b>(2,145)</b>
1.21 Cash at beginning of quarter/year to date	5,494	8,490
1.22 Exchange rate adjustments to item 1.21	63	(153)
1.23 <b>Cash at end of quarter</b>	<b>6,192</b>	<b>6,192</b>

Note (1) \$187,000 of cash outflow on intellectual property in the 3 months to March 2016 was re-classed into physical non-current assets during June 2016. Total investing cash outflow unchanged.

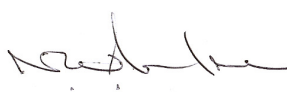
**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Quarter Ended 30 June 2016 \$A
1.6 (a)	Aggregate amount of payments to the relevant parties (aggregate fees paid to directors)	\$26,250
(b)		
1.7	Aggregate amount of loans to the relevant parties	Nil
1.8	Explanation necessary for an understanding of the transactions	
	Not applicable.	

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001 (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign  
here:



Date: 29 July 2016  
Executive Chairman  
Magontec Limited

Print  
name: Mr Nicholas Andrews

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The definitions in, and provisions of, *AASB 107: Cash Flow Statements* apply to this report except for the paragraphs of the Standard set out below.
  - Aus20.1 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 39 - 42 - itemised disclosure relating to acquisitions and disposals
  - 48 - 52 - disclosure of restrictions on use of cash
- 3 Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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